

HOUSING NOW

Kelowna CMA



Canada Mortgage and Housing Corporation

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Housing Starts Drop Back in 2008

The Kelowna area saw new home construction moderate in 2008. Housing starts fell to 2,257 homes from 2,805 homes in 2007. Although down from 2007's record high, housing starts broke the 2,000 unit mark for the sixth consecutive year in 2008.

Last spring's surge in apartment condominium construction kept 2008 housing starts at high levels.

Both third and fourth quarter housing starts were down sharply from the same three month period in 2007. Fewer multi-family starts accounted for most of the decline.

Demand for both new and existing homes has moderated in response to slower employment growth. Kelowna's unemployment rate, while remaining low by historical standards, trended up in 2008. Demand for discretionary housing, including resort homes and second residences also cooled off as economies here in

Figure 1



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HOME TO CANADIANS

Kelowna and across North America experienced slower growth. Builders have pulled back, adjusting to reduced demand, rising inventories of complete and unsold units and stronger price competition from a well supplied existing home market.

Following an exceptionally strong first half, Kelowna's multi-family construction sector closed out 2008 on a slow note. Multi-family starts dipped to the lowest fourth quarter level since 1998. No apartment condominium starts were recorded in the last five months of 2008. Although an estimated 60 per cent of apartment condominium units currently under construction have been pre sold, both absorption and pre sales have fallen off in recent months. The inventory of complete and unoccupied condominium units has trended up since mid-year. Strong demand for rental accommodation and sustained low vacancy rates have enabled some developers to successfully market unsold units as rentals.

Fourth quarter starts of detached homes were also down from a year ago. Unlike the multi-family sector, singles starts recorded monthly year-over-year declines in 2008. The singles sector typically reacts more quickly to changing market conditions than the multi-family sector. Absorption has slowed. The inventory of complete and unoccupied homes has steadily increased; by year-end reaching the highest monthly level in over a decade. Upward pressure on new home prices has eased in response to strong price competition from the existing home market and lower construction costs.

Sales of Existing Homes Down in 2008

Kelowna saw the sales of existing homes decline in 2008, residential sales dropping back 38 per cent from 2007's record levels. Sales of detached and multi-family homes including both condominiums and town homes were down in 2008. Fourth quarter residential sales fell by more than half from the same three month period in 2007.

Apartment condominiums recorded the smallest decline in sales, due in part to their lower cost relative to detached housing. Multi-family housing also appeals to a broader range of buyers, including retiree, move-down and first-time buyers, investors and others seeking resort and second residences.

With demand cooling off, the time required to sell a home has edged up. The sales to active listing ratio for all housing types slipped into single digit territory by mid 2008. Similarly, the sale price to list price ratio has also moved downward,

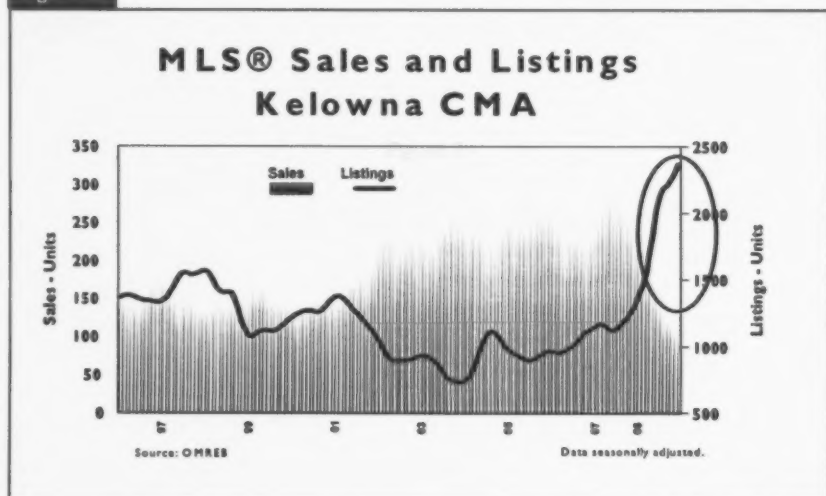
reflecting an increasingly competitive market.

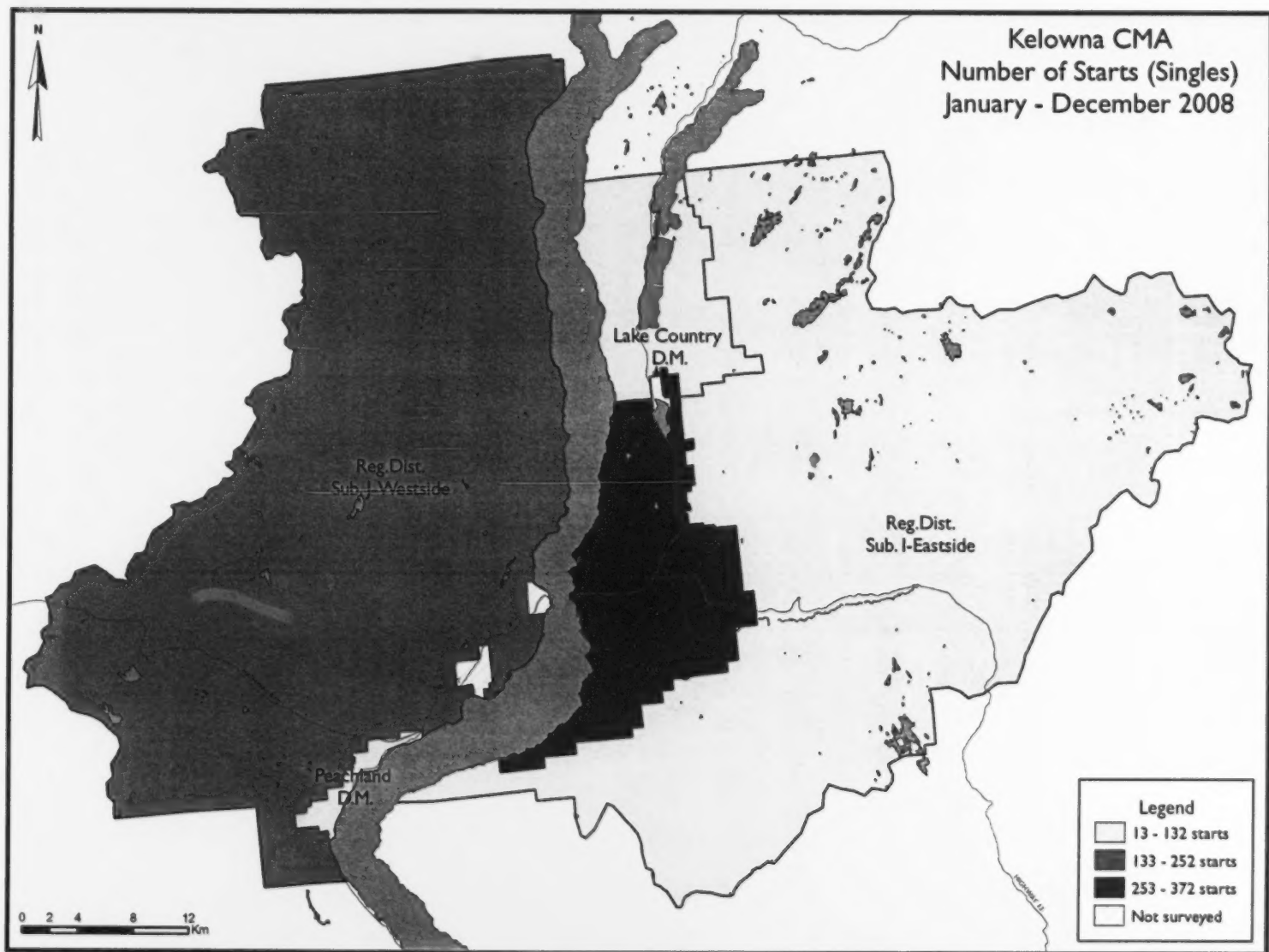
Softening prices triggered a surge in listing activity earlier this year. High levels of construction activity also contributed to increased supply. The supply of active single-detached, apartment and townhouse condominium listings steadily increased in the wake of reduced demand, with third quarter levels reaching all time highs. Listing activity has since slowed, some sellers choosing to wait for more favourable supply and demand conditions. Also, listing activity typically drops off during the winter months.

Prices have trended down since last spring, declining in response to reduced demand and increased supply. The average annual house price remains up from last year due to price growth experienced earlier in 2008.

Fewer sales, rising supply and softening prices indicate Kelowna's resale market has moved to a buyers' from a seller's market position. Buyers are benefiting from better selection and more intense price competition.

Figure 2





HOUSING NOW REPORT TABLES

Available in ALL reports:

- 1 Housing Activity Summary of CMA
- 2 Starts by Submarket and by Dwelling Type - Current Month or Quarter
- 2.1 Starts by Submarket and by Dwelling Type - Year-to-Date
- 3 Completions by Submarket and by Dwelling Type - Current Month or Quarter
- 3.1 Completions by Submarket and by Dwelling Type - Year-to-Date
- 4 Absorbed Single-Detached Units by Price Range
- 5 MLS® Residential Activity
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Available in SELECTED Reports:

- 1.1 Housing Activity Summary by Submarket
- 1.2 History of Housing Activity (once a year)
- 2.2 Starts by Submarket, by Dwelling Type and by Intended Market - Current Month or Quarter
- 2.3 Starts by Submarket, by Dwelling Type and by Intended Market - Year-to-Date
- 2.4 Starts by Submarket and by Intended Market - Current Month or Quarter
- 2.5 Starts by Submarket and by Intended Market - Year-to-Date
- 3.2 Completions by Submarket, by Dwelling Type and by Intended Market - Current Month or Quarter
- 3.3 Completions by Submarket, by Dwelling Type and by Intended Market - Year-to-Date
- 3.4 Completions by Submarket and by Intended Market - Current Month or Quarter
- 3.5 Completions by Submarket and by Intended Market - Year-to-Date
- 4.1 Average Price (\$) of Absorbed Single-Detached Units

SYMBOLS

- n/a Not applicable
- * Totals may not add up due to co-operatives and unknown market types
- ** Percent change > 200%
- Nil
- Amount too small to be expressed
- SA Monthly figures are adjusted to remove normal seasonal variation

Table 1: Housing Activity Summary of Kelowna CMA
December 2008

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
December 2008	23	2	0	2	0	0	1	0	28
December 2007	77	0	0	4	54	0	6	0	141
% Change	-70.1	n/a	n/a	-50.0	-100.0		-83.3		-80.1
Year-to-date 2008	707	2	0	23	303	1,128	35	59	2,257
Year-to-date 2007	1,043	0	0	42	333	1,312	45	30	2,805
% Change	-32.2	n/a	n/a	-45.2	-9.0	-14.0	-22.2	-96.7	-19.5
UNDER CONSTRUCTION									
December 2008	593	2	0	22	312	1,745	26	59	2,759
December 2007	833	0	0	38	437	2,505	30	30	3,873
% Change	-28.8	n/a	n/a	-42.1	-28.6	-30.3	-13.3	-96.7	-28.8
COMPLETIONS									
December 2008	43	0	0	1	18	123	1	0	186
December 2007	81	0	0	0	10	0	6	0	97
% Change	-45.9	n/a	n/a	100.0	80.0		-83.3		-91.7
Year-to-date 2008	944	0	0	40	428	1,659	41	30	3,142
Year-to-date 2007	934	0	0	27	293	666	70	25	2,015
% Change	1.1	n/a	n/a	48.1	46.1	149.7	-41.4	20.0	55.9
COMPLETED & NOT ABSORBED									
December 2008	181	1	0	4	69	107	0	0	362
December 2007	67	3	0	2	10	1	0	0	83
% Change	170.1	-66.7	n/a	100.0			0.0		327.8
ABSORBED									
December 2008	32	0	0	0	19	78	1	0	130
December 2007	78	0	0	1	12	29	6	0	126
% Change	-59.0	n/a	n/a	-100.0	58.3	169.0	-83.3		-48.0
Year-to-date 2008	830	2	0	38	369	1,278	41	0	2,558
Year-to-date 2007	932	5	0	26	280	405	70	1	1,719
% Change	-10.9	-60.0	n/a	46.2	31.8	214.3	-41.4	-100.0	48.8

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.1: Housing Activity Summary by Submarket
December 2008

	Ownership						Rental		Total*
	Freehold			Condominium			Single, Semi, and Row	Apt. & Other	
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other			
STARTS									
Kelowna City									
December 2008	10	2	0	2	0	0	1	0	15
December 2007	38	0	0	0	34	0	6	0	78
Lake Country D.M.									
December 2008	4	0	0	0	0	0	0	0	4
December 2007	9	0	0	1	2	0	0	0	12
Peachland D.M.									
December 2008	1	0	0	0	0	0	0	0	1
December 2007	2	0	0	0	0	0	0	0	2
Reg. Dist. Sub. J - Westside									
December 2008	7	0	0	0	0	0	0	0	7
December 2007	26	0	0	3	12	0	0	0	41
Reg. Dist. Sub. I - Eastside									
December 2008	1	0	0	0	0	0	0	0	1
December 2007	2	0	0	0	6	0	0	0	8
Kelowna CMA									
December 2008	23	2	0	2	0	0	1	0	28
December 2007	77	0	0	4	54	0	6	0	141
UNDER CONSTRUCTION									
Kelowna City									
December 2008	296	2	0	8	164	1,330	24	59	1,883
December 2007	414	0	0	10	280	1,637	27	30	2,398
Lake Country D.M.									
December 2008	86	0	0	2	55	87	0	0	230
December 2007	97	0	0	3	40	256	0	0	396
Peachland D.M.									
December 2008	23	0	0	1	26	0	0	0	50
December 2007	24	0	0	0	50	7	0	0	81
Reg. Dist. Sub. J - Westside									
December 2008	178	0	0	11	53	328	1	0	571
December 2007	279	0	0	23	55	605	1	0	963
Reg. Dist. Sub. I - Eastside									
December 2008	10	0	0	0	14	0	1	0	25
December 2007	19	0	0	2	12	0	2	0	35
Kelowna CMA									
December 2008	593	2	0	22	312	1,745	26	59	2,759
December 2007	833	0	0	38	437	2,505	30	30	3,873

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.1: Housing Activity Summary by Submarket
December 2008

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
COMPLETIONS									
Kelowna City									
December 2008	20	0	0	1	18	41	1	0	81
December 2007	59	0	0	0	6	0	6	0	71
Lake Country D.M.									
December 2008	15	0	0	0	0	0	0	0	15
December 2007	3	0	0	0	0	0	0	0	3
Peachland D.M.									
December 2008	0	0	0	0	0	0	0	0	0
December 2007	0	0	0	0	0	0	0	0	0
Reg. Dist. Sub. J - Westside									
December 2008	8	0	0	0	0	82	0	0	90
December 2007	19	0	0	0	4	0	0	0	23
Reg. Dist. Sub. I - Eastside									
December 2008	0	0	0	0	0	0	0	0	0
December 2007	0	0	0	0	0	0	0	0	0
Kelowna CMA									
December 2008	43	0	0	1	18	123	1	0	186
December 2007	81	0	0	0	10	0	6	0	97
COMPLETED & NOT ABSORBED									
Kelowna City									
December 2008	98	1	0	3	43	52	0	0	197
December 2007	45	1	0	1	8	1	0	0	56
Lake Country D.M.									
December 2008	21	0	0	0	13	13	0	0	47
December 2007	3	0	0	0	0	0	0	0	3
Peachland D.M.									
December 2008	1	0	0	0	5	0	0	0	6
December 2007	0	0	0	0	1	0	0	0	1
Reg. Dist. Sub. J - Westside									
December 2008	60	0	0	1	6	42	0	0	109
December 2007	19	0	0	1	1	0	0	0	21
Reg. Dist. Sub. I - Eastside									
December 2008	1	0	0	0	2	0	0	0	3
December 2007	0	2	0	0	0	0	0	0	2
Kelowna CMA									
December 2008	181	1	0	4	69	107	0	0	362
December 2007	67	3	0	2	10	1	0	0	83

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

**Table 1.2: History of Housing Starts of Kelowna CMA
1999 - 2008**

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single and Semi	Apt. & Other	
2008	707	2	0	23	303	1,128	35	59	2,257
% Change	-32.2	n/a	n/a	-45.2	-9.0	-14.0	-22.2	96.7	-19.5
2007	1,043	0	0	42	333	1,312	45	30	2,805
% Change	1.7	n/a	n/a	27.3	-23.1	15.9	-33.8	n/a	4.2
2006	1,026	0	0	33	433	1,132	68	0	2,692
% Change	-10.5	-100.0	n/a	**	63.4	0.7	15.3	-100.0	-2.3
2005	1,147	44	0	8	265	1,124	59	108	2,755
% Change	-10.3	-66.7	-100.0	n/a	61.6	143.8	-25.3	5.9	23.9
2004	1,279	132	7	0	164	461	79	102	2,224
% Change	1.1	40.4	0.0	n/a	**	-30.6	163.3	88.9	4.1
2003	1,265	94	7	0	23	664	30	54	2,137
% Change	32.9	9.3	**	n/a	-60.3	78.5	-50.0	-10.0	34.3
2002	952	86	2	0	58	372	60	60	1,591
% Change	54.0	65.4	-90.5	n/a	n/a	100.0	-24.1	-59.2	44.2
2001	618	52	21	0	0	186	79	147	1,103
% Change	3.3	-27.8	n/a	n/a	-100.0	**	71.7	28.9	18.9
2000	598	72	0	0	14	40	46	114	928
% Change	-11.1	80.0	-100.0	n/a	-65.0	81.8	100.0	54.1	5.5
1999	673	40	6	0	40	22	23	74	880

Source: CMHC (Starts and Completions Survey)

Table 2: Starts by Submarket and by Dwelling Type
December 2008

Submarket	Single		Semi		Row		Apt. & Other		Total		
	Dec 2008	Dec 2007	Dec 2008	Dec 2007	Dec 2008	Dec 2007	Dec 2008	Dec 2007	Dec 2008	Dec 2007	% Change
Black Mountain	4	0	0	0	0	4	0	0	4	4	0.0
Dilworth Mountain	0	5	0	0	0	0	0	0	0	5	-100.0
Ellison/Joe Rich	1	2	0	6	0	0	0	0	1	8	-87.5
Glenrosa	0	1	0	0	0	0	0	0	0	1	-100.0
Glenmore	0	5	0	2	0	0	0	0	0	7	-100.0
Kelowna Core Area	2	5	2	0	0	0	0	0	4	5	-20.0
Lake Country	0	10	0	2	0	0	0	0	0	12	-100.0
Lakeview Heights	0	1	0	8	0	0	0	0	0	9	-100.0
Lower Mission	0	3	0	2	0	17	0	0	0	22	-100.0
North Glenmore	1	5	0	0	0	0	0	0	1	5	-80.0
Peachland	1	2	0	0	0	0	0	0	1	2	-50.0
Rutland	0	2	0	0	0	9	0	0	0	11	-100.0
Southeast Kelowna	0	5	0	0	0	0	0	0	0	5	-100.0
Shannon Lake	0	5	0	0	0	0	0	0	0	5	-100.0
Upper Mission	6	14	0	0	0	0	0	0	6	14	-57.1
Westbank	0	8	0	4	0	0	0	0	0	12	-100.0
West Kelowna	3	9	0	0	0	0	0	0	3	9	-66.7
Westside	4	5	0	0	0	0	0	0	4	5	-20.0
Kelowna CMA	16	17	2	14	0	20	0	0	18	31	-41.9

Table 2.1: Starts by Submarket and by Dwelling Type
January - December 2008

Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	% Change
Black Mountain	61	80	8	0	28	4	0	0	97	84	15.5
Dilworth Mountain	9	30	16	8	0	0	0	0	25	38	-34.2
Ellison/Joe Rich	12	23	18	14	0	0	0	0	30	37	-18.9
Glenrosa	6	3	0	0	0	0	0	0	6	3	100.0
Glenmore	25	35	4	2	0	30	0	67	29	134	-78.4
Kelowna Core Area	24	36	12	4	7	0	808	292	851	332	156.3
Lake Country	19	141	4	2	19	38	0	103	42	284	-85.2
Lakeview Heights	25	61	8	10	4	3	0	50	37	124	-70.2
Lower Mission	14	23	4	2	0	75	206	60	224	160	40.0
North Glenmore	64	81	8	8	20	26	0	195	92	310	-70.3
Peachland	23	21	0	8	24	14	0	0	47	43	9.3
Rutland	26	23	2	14	4	19	92	91	124	147	-15.6
Southeast Kelowna	22	30	0	4	0	0	0	0	22	34	-35.3
Shannon Lake	58	107	2	8	9	12	64	178	135	305	-55.7
Upper Mission	126	210	4	0	60	0	0	0	190	210	-9.5
Westbank	24	100	0	14	4	12	0	306	28	432	-93.5
West Kelowna	68	93	0	2	0	0	0	0	68	95	-28.4
Westside	48	26	0	0	0	0	0	0	48	26	84.6
Kelowna CMA	765	1,130	198	100	202	211	1,187	1,342	2,252	2,608	-13.5

Source: CMHC (Starts and Completions Survey)

Table 3: Completions by Submarket and by Dwelling Type
December 2008

Submarket	Single		Semi		Row		Apt. & Other		Total		
	Dec 2008	Dec 2007	Dec 2008	Dec 2007	Dec 2008	Dec 2007	Dec 2008	Dec 2007	Dec 2008	Dec 2007	% Chg
Black Mountain	4	13	0	0	5	0	0	0	9	13	-30.8
Dilworth Mountain	0	2	0	4	0	0	0	0	0	6	-100.0
Ellison/Joe Rich	0	0	0	0	0	0	0	0	0	0	n/a
Glenrosa	0	1	0	0	0	0	0	0	0	1	-100.0
Glenmore	2	1	0	0	5	0	0	0	7	1	**
Kelowna Core Area	6	0	0	0	0	0	41	0	47	0	n/a
Lake Country	6	3	0	0	0	0	0	0	6	3	100.0
Lakeview Heights	0	5	0	0	0	0	0	0	0	5	-100.0
Lower Mission	0	2	0	0	0	0	0	0	0	2	-100.0
North Glenmore	6	14	0	0	0	0	0	0	6	14	-57.1
Peachland	0	0	0	0	0	0	0	0	0	0	n/a
Rutland	0	0	0	2	8	0	0	0	8	2	**
Southeast Kelowna	0	9	0	0	0	0	0	0	0	9	-100.0
Shannon Lake	2	2	0	0	0	0	0	0	2	2	0.0
Upper Mission	4	24	0	0	0	0	0	0	4	24	-83.3
Westbank	1	7	0	4	0	0	82	0	83	11	**
West Kelowna	5	4	0	0	0	0	0	0	5	4	25.0
Westside	0	0	0	0	0	0	0	0	0	0	n/a
Kelowna CMA	41	107	0	16	13	0	123	0	164	16	-30.5

Table 3.1: Completions by Submarket and by Dwelling Type
January - December 2008

Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	% Chg
Black Mountain	70	65	0	2	20	0	0	0	90	67	34.3
Dilworth Mountain	27	20	8	20	0	0	0	0	35	40	-12.5
Ellison/Joe Rich	25	22	16	24	0	0	0	0	41	46	-10.9
Glenrosa	3	3	0	0	0	0	0	0	3	3	0.0
Glenmore	36	9	2	0	26	4	217	0	281	13	**
Kelowna Core Area	30	36	0	6	0	20	178	178	208	240	-13.3
Lake Country	93	119	6	0	38	0	113	104	250	223	12.1
Lakeview Heights	51	53	2	0	3	18	121	15	177	86	105.8
Lower Mission	20	22	10	0	107	16	415	50	552	88	**
North Glenmore	71	134	16	14	52	20	298	128	437	296	47.6
Peachland	23	10	14	0	34	20	0	32	71	62	14.5
Rutland	25	26	14	22	12	90	125	142	176	280	-37.1
Southeast Kelowna	25	28	4	6	0	0	0	0	29	34	-14.7
Shannon Lake	76	96	2	0	0	1	28	42	106	139	-23.7
Upper Mission	190	225	8	2	12	0	0	0	210	227	-7.5
Westbank	67	64	10	8	12	4	194	0	283	76	**
West Kelowna	92	56	0	2	0	0	0	0	92	58	58.6
Westside	52	30	0	0	0	0	0	0	52	30	73.3
Kelowna CMA	1102	1176	12	102	311	112	1629	755	1819	2415	-25.6

Source: CMHC (Starts and Completions Survey)

Table 4: Absorbed Single-Detached Units by Price Range
December 2008

Submarket	Price Ranges										Total	Median Price (\$)	Average Price (\$)
	< \$400,000		\$400,000 - \$499,999		\$500,000 - \$599,999		\$600,000 - \$749,999		\$750,000 +				
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)			
East Kelowna													
December 2008	0	0.0	0	0.0	2	100.0	0	0.0	0	0.0	2	--	--
December 2007	0	0.0	2	28.6	4	57.1	1	14.3	0	0.0	7	--	--
Year-to-date 2008	0	0.0	8	11.9	35	52.2	21	31.3	3	4.5	67	577,395	597,020
Year-to-date 2007	0	0.0	26	41.3	32	50.8	5	7.9	0	0.0	63	529,900	519,991
Blairmont, Mountain													
December 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
December 2007	0	0.0	0	0.0	2	100.0	0	0.0	0	0.0	2	--	--
Year-to-date 2008	0	0.0	0	0.0	4	19.0	10	47.6	7	33.3	21	690,900	708,956
Year-to-date 2007	0	0.0	0	0.0	8	40.0	11	55.0	1	5.0	20	694,000	652,795
Greenwood Park													
December 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
December 2007	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2008	0	0.0	6	27.3	5	22.7	8	36.4	3	13.6	22	613,200	607,911
Year-to-date 2007	1	4.8	13	61.9	0	0.0	4	19.0	3	14.3	21	489,900	591,838
Chapman													
December 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
December 2007	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	1	--	--
Year-to-date 2008	0	0.0	2	66.7	1	33.3	0	0.0	0	0.0	3	--	--
Year-to-date 2007	0	0.0	1	33.3	2	66.7	0	0.0	0	0.0	3	--	--
Greenidge													
December 2008	0	0.0	1	33.3	0	0.0	2	66.7	0	0.0	3	--	--
December 2007	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	--	--
Year-to-date 2008	0	0.0	1	4.2	4	16.7	9	37.5	10	41.7	24	713,000	801,854
Year-to-date 2007	1	12.5	0	0.0	4	50.0	2	25.0	1	12.5	8	--	--
Kelowna Core Area													
December 2008	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	2	--	--
December 2007	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2008	0	0.0	2	22.2	3	33.3	2	22.2	2	22.2	9	--	--
Year-to-date 2007	1	5.9	4	23.5	7	41.2	1	5.9	4	23.5	17	559,000	716,553
Lake Country													
December 2008	0	0.0	4	57.1	2	28.6	1	14.3	0	0.0	7	--	--
December 2007	0	0.0	0	0.0	3	100.0	0	0.0	0	0.0	3	--	--
Year-to-date 2008	10	11.2	19	21.3	37	41.6	13	14.6	10	11.2	89	549,900	586,960
Year-to-date 2007	29	24.4	32	26.9	34	28.6	11	9.2	13	10.9	119	499,000	565,213
Lakeview Heights													
December 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
December 2007	0	0.0	0	0.0	0	0.0	1	25.0	3	75.0	4	--	--
Year-to-date 2008	0	0.0	1	2.3	2	4.5	6	13.6	35	79.5	44	1,099,000	1,466,164
Year-to-date 2007	0	0.0	1	1.9	8	14.8	8	14.8	37	68.5	54	984,900	1,052,689
Lower Mission													
December 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
December 2007	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	1	--	--
Year-to-date 2008	0	0.0	0	0.0	6	28.6	10	47.6	5	23.8	21	649,900	970,243
Year-to-date 2007	0	0.0	4	19.0	6	28.6	1	4.8	10	47.6	21	749,000	1,257,238

Source: CMHC (Market Absorption Survey)

Table 4: Absorbed Single-Detached Units by Price Range
December 2008

Submarket	Price Ranges										Total	Median Price (\$)	Average Price (\$)
	< \$400,000		\$400,000 - \$499,999		\$500,000 - \$599,999		\$600,000 - \$749,999		\$750,000 +				
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)			
North Okanagan													
December 2008	0	0.0	0	0.0	0	0.0	2	66.7	1	33.3	3	--	--
December 2007	0	0.0	0	0.0	1	9.1	7	63.6	3	27.3	11	689,900	749,591
Year-to-date 2008	0	0.0	0	0.0	6	9.2	31	47.7	28	43.1	65	735,000	796,138
Year-to-date 2007	14	11.5	10	8.2	44	36.1	40	32.8	14	11.5	122	599,900	610,629
Peachland													
December 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
December 2007	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2008	0	0.0	3	14.3	11	52.4	5	23.8	2	9.5	21	529,900	578,841
Year-to-date 2007	0	0.0	3	33.3	4	44.4	0	0.0	2	22.2	9	--	--
Rustland													
December 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
December 2007	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	1	--	--
Year-to-date 2008	1	5.9	9	52.9	3	17.6	2	11.8	2	11.8	17	484,200	553,871
Year-to-date 2007	8	38.1	12	57.1	1	4.8	0	0.0	0	0.0	21	429,900	431,967
Southeast Kelowna													
December 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
December 2007	0	0.0	0	0.0	0	0.0	1	14.3	6	85.7	7	--	--
Year-to-date 2008	0	0.0	0	0.0	0	0.0	6	31.6	13	68.4	19	799,900	913,584
Year-to-date 2007	2	8.3	1	4.2	2	8.3	11	45.8	8	33.3	24	699,900	712,163
Stewart Lake													
December 2008	0	0.0	0	0.0	0	0.0	0	0.0	2	100.0	2	--	--
December 2007	0	0.0	0	0.0	3	100.0	0	0.0	0	0.0	3	--	--
Year-to-date 2008	2	3.7	7	13.0	20	37.0	15	27.8	10	18.5	54	589,900	663,991
Year-to-date 2007	10	11.4	64	72.7	12	13.6	2	2.3	0	0.0	88	449,900	452,391
Upper Okanagan													
December 2008	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	1	--	--
December 2007	0	0.0	2	8.0	5	20.0	9	36.0	9	36.0	25	699,000	886,236
Year-to-date 2008	0	0.0	4	2.5	37	22.7	56	34.4	66	40.5	163	699,000	856,023
Year-to-date 2007	4	1.8	20	9.0	72	32.6	64	29.0	61	27.6	221	640,000	722,901
Westbank													
December 2008	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	1	--	--
December 2007	0	0.0	4	66.7	0	0.0	1	16.7	1	16.7	6	--	--
Year-to-date 2008	0	0.0	35	52.2	26	38.8	5	7.5	1	1.5	67	498,900	559,290
Year-to-date 2007	9	15.8	44	77.2	0	0.0	1	1.8	3	5.3	57	452,000	511,858
West Kelowna													
December 2008	0	0.0	2	50.0	0	0.0	2	50.0	0	0.0	4	--	--
December 2007	1	14.3	2	28.6	4	57.1	0	0.0	0	0.0	7	--	--
Year-to-date 2008	0	0.0	28	37.8	35	47.3	11	14.9	0	0.0	74	518,980	525,178
Year-to-date 2007	2	3.5	35	61.4	18	31.6	2	3.5	0	0.0	57	466,500	485,086
Westside													
December 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
December 2007	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2008	33	62.3	15	28.3	0	0.0	0	0.0	5	9.4	53	379,900	465,232
Year-to-date 2007	17	56.7	9	30.0	3	10.0	1	3.3	0	0.0	30	399,900	404,260
Kelowna CMA													
December 2008	0	0.0	11	34.4	6	18.8	7	21.9	8	25.0	32	589,450	628,309
December 2007	1	1.3	11	13.9	24	30.4	21	26.6	22	27.8	79	649,000	733,203
Year-to-date 2008	46	5.3	145	16.7	247	28.5	221	25.5	209	24.1	868	599,900	716,494
Year-to-date 2007	99	10.3	280	29.2	257	26.8	165	17.2	157	16.4	958	549,000	629,741

Source: CMHC (Market Absorption Survey)

**Table 4.1: Average Price (\$) of Absorbed Single-detached Units
December 2008**

Submarket	Dec 2008	Dec 2007	% Change	YTD 2008	YTD 2007	% Change
Black Mountain	--	--	n/a	597,020	519,991	14.8
Dilworth Mountain	--	--	n/a	708,956	652,795	8.6
Ellison/Joe Rich	--	--	n/a	607,911	591,838	2.7
Glenrosa	--	--	n/a	--	--	n/a
Glenmore	--	--	n/a	801,854	--	n/a
Kelowna Core Area	--	--	n/a	--	716,553	n/a
Lake Country	--	--	n/a	586,960	565,213	3.8
Lakeview Heights	--	--	n/a	1,466,164	1,052,689	39.3
Lower Mission	--	--	n/a	970,243	1,257,238	-22.8
North Glenmore	--	749,591	n/a	796,138	610,629	30.4
Peachland	--	--	n/a	578,841	--	n/a
Rutland	--	--	n/a	553,871	431,967	28.2
Southeast Kelowna	--	--	n/a	913,584	712,163	28.3
Shannon Lake	--	--	n/a	663,991	452,391	46.8
Upper Mission	--	886,236	n/a	856,023	722,901	18.4
Westbank	--	--	n/a	559,290	511,858	9.3
West Kelowna	--	--	n/a	525,178	485,086	8.3
Westside	--	--	n/a	465,232	404,260	15.1
Kelowna CMA	628,309	753,203	14.3	771,444	622,741	13.8

Source: CMHC (Market Absorption Survey)

**Table 5: MLS® Residential Activity for Kelowna
December 2008**

		Single Detached				Townhouse				Apartment Condo			
		Number of Sales	Number of Active Listings	Sales-to-Active Listings Ratio	Average Price (\$)	Number of Sales	Number of Active Listings	Sales-to-Active Listings Ratio	Average Price (\$)	Number of Sales	Number of Active Listings	Sales-to-Active Listings Ratio	Average Price (\$)
2008	January	185	1,000	19	436,216	28	119	24	314,779	68	409	17	232,675
	February	228	1,004	23	508,553	31	122	25	282,289	94	417	23	232,083
	March	333	1,152	29	457,089	55	118	47	295,280	126	441	29	257,341
	April	337	1,208	28	489,723	51	139	37	314,716	145	405	36	262,368
	May	380	1,175	32	488,054	65	118	55	317,203	111	390	28	275,105
	June	372	1,188	31	526,044	46	126	37	323,914	109	386	28	289,475
	July	274	1,240	22	525,035	43	118	36	333,294	107	429	25	282,487
	August	322	1,254	26	552,334	49	128	38	345,778	122	470	26	296,629
	September	248	1,287	19	570,769	39	121	32	326,759	78	496	16	276,047
	October	236	1,268	19	513,130	43	150	29	334,021	87	515	17	291,030
	November	180	1,174	15	502,660	25	151	17	301,620	74	572	13	288,030
	December	135	1,076	13	515,556	27	143	19	306,779	53	582	9	286,140
2009	January	162	1,250	13	491,330	24	182	13	315,602	61	651	9	299,067
	February	191	1,370	14	501,822	42	176	24	331,607	83	714	12	279,527
	March	237	1,476	16	564,237	28	192	15	355,929	115	855	13	277,978
	April	271	1,877	14	596,218	28	281	10	380,818	93	958	10	286,624
	May	225	2,055	11	574,632	27	303	9	352,759	72	1,045	7	297,594
	June	187	2,186	9	593,075	36	317	11	361,919	68	1,082	6	332,832
	July	156	2,357	7	552,857	26	332	8	354,619	72	1,120	6	315,374
	August	141	2,379	6	552,227	26	390	7	408,772	60	1,123	5	284,353
	September	144	2,358	6	520,741	19	392	5	381,068	56	1,116	5	281,955
	October	97	2,311	4	458,498	13	388	3	317,792	28	1,076	3	278,300
	November	73	2,168	3	465,314	11	366	3	268,636	34	1,043	3	256,800
	December	71	2,012	4	507,621	10	347	3	316,850	21	928	2	298,924
	YTD 2008	3,231	1,169	23	507,780	502	129	33	317,886	1,174	459	22	272,522
	YTD 2009	1,949	1,983	9	541,177	291	306	9	353,315	765	976	7	291,394
	% Change	-40	70	-61	7	-42	137	73	11	-35	113	-70	7

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Note: Based on boundaries of the OMREB. Townhouse and apartment data does not include Big White.

Source: Okanagan Mainline Real Estate Board (OMREB)

Source: Victoria Real Estate Board (VREB)

Table 6: Economic Indicators
December 2008

		Interest Rates			NHPI, Total, 1997=100 (B.C.)	CPI, 2002 =100 (B.C.)	Kelowna Labour Market			
		P & I Per \$100,000	Mortgage Rates (%)				Employment SA (,000)	Unemployment Rate (%) SA	Participation Rate (%) SA	Average Weekly Earnings (\$)
			1 Yr. Term	5 Yr. Term						
2007	January	679	6.50	6.65	116.3	109.0	90.5	5.1	65.2	741
	February	679	6.50	6.65	116.3	109.1	91.2	4.7	65.1	742
	March	669	6.40	6.49	117.5	109.5	90.8	4.2	64.2	743
	April	678	6.60	6.64	118.2	109.9	89.6	2.6	63.0	745
	May	709	6.85	7.14	120.9	110.5	88.4	3.7	62.0	744
	June	715	7.05	7.24	121.8	110.3	87.2	4.8	61.9	743
	July	715	7.05	7.24	122.0	110.5	86.0	6.3	61.3	742
	August	715	7.05	7.24	122.1	110.4	84.3	4.8	60.0	747
	September	712	7.05	7.19	122.1	110.5	84.5	4.2	58.5	752
	October	728	7.25	7.44	122.8	110.0	86.5	3.8	60.1	753
	November	725	7.20	7.39	123.1	110.1	89.4	4.8	62.6	752
	December	734	7.35	7.54	123.1	110.1	90.8	5.6	64.3	753
2008	January	725	7.35	7.39	123.3	109.9	92.1	5.1	64.5	760
	February	718	7.25	7.29	123.4	110.3	93.1	4.5	64.6	765
	March	712	7.15	7.19	124.2	110.8	94.7	4.4	65.5	766
	April	700	6.95	6.99	124.2	111.8	95.5	4.1	66.7	767
	May	679	6.15	6.65	123.8	112.8	95.1	4.7	65.7	770
	June	710	6.95	7.15	123.7	113.6	95.5	4.3	65.7	778
	July	710	6.95	7.15	123.8	114.2	96.3	4.4	65.2	783
	August	691	6.65	6.85	123.7	114.0	97.4	3.9	66.8	783
	September	691	6.65	6.85	123.6	114.1	98.0	5.0	66.7	785
	October	713	6.35	7.20	122.2	112.8	97.5	6.0	67.3	788
	November	713	6.35	7.20	120.3	112.3	94.3	8.0	65.9	792
	December	685	5.60	6.75		111.4	93.1	7.5	65.0	794

"P & I" means Principal and Interest (assumes \$100,000 mortgage amortized over 25 years using current 5 year interest rate)

"NHPI" means New Housing Price Index

"CPI" means Consumer Price Index

"SA" means Seasonally Adjusted

Source: CMHC, adapted from Statistics Canada (CANSIM), Statistics Canada (CANSIM)

METHODOLOGY

Starts & Completions Survey Methodology

The Starts and Completions Survey is conducted by way of site visits which are used to confirm that new units have reached set stages in the construction process. Since most municipalities in the country issue building permits, these are used as an indication of where construction is likely to take place. In areas where there are no permits, reliance has to be placed either on local sources or searching procedures.

The Starts and Completions Survey is carried out monthly in urban areas with population in excess of 50,000, as defined by the 2006 Census. In urban areas with populations of 10,000 to 49,999, all Starts are enumerated in the last month of the quarter (i.e. four times a year, in March, June, September and December). In these centres with quarterly enumeration, Completion activity is modelled based on historical patterns. Monthly Starts and Completions activity in these quarterly locations are statistically estimated at a provincial level for single and multi categories. Centres with populations below 10,000 are enumerated on a sample basis, also in the last month of each quarter (i.e. four times a year, in March, June, September and December).

The Starts and Completions Survey enumerates dwelling units in new structures only, designed for non-transient and year-round occupancy.

Mobile homes are included in the surveys. A mobile home is a type of manufactured house that is completely assembled in a factory and then moved to a foundation before it is occupied.

Trailers or any other movable dwelling (the larger often referred to as a mobile home) with no permanent foundation are excluded from the survey.

Conversions and/or alterations within an existing structure are excluded from the surveys as are seasonal dwellings, such as: summer cottages, hunting and ski cabins, trailers and boat houses; and hostel accommodations, such as: hospitals, nursing homes, penal institutions, convents, monasteries, military and industrial camps, and collective types of accommodation such as: hotels, clubs, and lodging homes.

Market Absorption Survey Methodology

The Market Absorption Survey is carried out in conjunction with the Starts and Completions Survey in urban areas with populations in excess of 50,000. When a structure is recorded as completed, an update is also made as units are sold or rented. The dwellings are then enumerated each month until such time as full absorption occurs.

STARTS AND COMPLETIONS SURVEY AND MARKET ABSORPTION SURVEY DEFINITIONS

A "dwelling unit", for purposes of the Starts and Completions Survey, is defined as a structurally separate set of self-contained living premises with a private entrance from outside the building or from a common hall, lobby, or stairway inside the building. Such an entrance must be one that can be used without passing through another separate dwelling unit.

A "start", for purposes of the Starts and Completions Survey, is defined as the beginning of construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

The number of units "under construction" as at the end of the period shown, takes into account certain adjustments which are necessary for various reasons. For example, after a start on a dwelling has commenced construction may cease, or a structure, when completed, may contain more or fewer dwelling units than were reported at start.

A "completion", for purposes of the Starts and Completions Survey, is defined as the stage at which all the proposed construction work on a dwelling unit has been performed, although under some circumstances a dwelling may be counted as completed where up to 10 per cent of the proposed work remains to be done.

The term "absorbed" means that a housing unit is no longer on the market (i.e. has been sold or rented). This usually happens when a binding contract is secured by a non-refundable deposit and has been signed by a qualified purchaser. The purpose of the Market Absorption Survey is to measure the rate at which units are sold or rented after they are completed, as well as collect prices.

DWELLING TYPES:

A **"Single-Detached"** dwelling (also referred to as **"Single"**) is a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure. Includes link homes, where two units may share a common basement wall but are separated above grade. Also includes cluster-single developments.

A **"Semi-Detached (Double)"** dwelling (also referred to as **"Semi"**) is one of two dwellings located side-by-side in a building, adjoining no other structure and separated by a common or party wall extending from ground to roof.

A **"Row (Townhouse)"** dwelling is a one family dwelling unit in a row of three or more attached dwellings separated by a common or party wall extending from ground to roof.

The term **"Apartment and other"** includes all dwellings other than those described above, including structures commonly known as stacked townhouses, duplexes, triplexes, double duplexes and row duplexes.

INTENDED MARKET:

The **"intended market"** is the tenure in which the unit is being marketed. This includes the following categories:

Freehold: A residence where the owner owns the dwelling and lot outright.

Condominium (including Strata-Titled): An individual dwelling which is privately owned, but where the building and/or the land are collectively owned by all dwelling unit owners. A condominium is a form of ownership rather than a type of house.

Rental: Dwelling constructed for rental purposes regardless of who finances the structure.

GEOGRAPHICAL TERMS:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

A **"Rural"** area, for the purposes of this publication, is a centre with a population less than 10,000.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions, except the Economic Indicators data (Table 6) which is based on Statistics Canada's 2001 Census area definitions.

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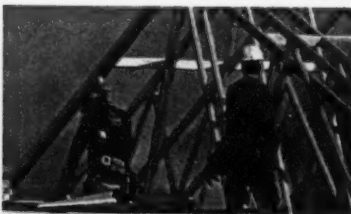
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